

**SUBSIDIARY ARRANGEMENT  
BETWEEN  
THE GOVERNMENT OF AUSTRALIA  
AND  
THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIET NAM  
RELATING TO THE  
ADS PRE-DEPARTURE PROJECT**

**1. GENERAL**

This SUBSIDIARY ARRANGEMENT expresses the understandings and intentions of the Government of Australia (GOA) and the Government of the Socialist Republic of Viet Nam (GOSRV) concerning the respective responsibilities and contributions of the two Parties with regards to the ADS Pre-Departure Project (ADS-PREP) in Viet Nam.

Consistent with the aims and priorities of the GOSRV and the Australian aid program the overall aim of the project is to assist the GOSRV by contributing to human resource development in areas of mutually determined focus in the Vietnam-Australia Development Cooperation Program. Specifically, the project is intended to prepare ADS awardees for tertiary study in Australia through the provision of intensive in-country training and to place them in appropriate courses with ongoing support. The Project is further described and detailed in Annex 1 to this ARRANGEMENT.

This SUBSIDIARY ARRANGEMENT is concluded pursuant to and is subject to the provisions of the Memorandum of Understanding on Development Cooperation between the GOA and the GOSRV signed in Canberra on 27 May 1993 (the MOU).

**2. IMPLEMENTING AGENCIES**

The Implementing Agencies for this Project will be:

For the GOSRV:

Managing Agency: Ministry of Education and Training (MOET)

Executing Agency: Hanoi University of Foreign Studies (HUFS)

For the GOA:

Managing Agency: The Australian Agency for International Development of the Department of Foreign Affairs and Trade (AusAID)

Executing Agency: Australian Managing Contractor(s) to be selected by AusAID in consultation with GOSRV.

**3. DEFINITIONS**

For the purposes of this SUBSIDIARY ARRANGEMENT:

(a) "Australian Project Personnel" means Australian Nationals or permanent residents or other persons who are not nationals or permanent residents of Viet Nam who are working in Viet Nam on an activity under this ARRANGEMENT and whose salaries or other costs are funded from the contribution of the GOA to the activity;

(b) "Australian Project Supplies" means equipment, material and other goods supplied for the execution of the Project, the costs of which are funded from the contribution of the GOA to the Project;

(c) "Australian Contractor" means the contractor contracted by AusAID on behalf of the GOA to implement the Project;

(d) All monetary amounts in this document are Australian Dollars (AUD) unless otherwise specified.

#### **4. MANAGEMENT AND COORDINATION**

Management and coordination frameworks for the Project are detailed in Annex 2 of this SUBSIDIARY ARRANGEMENT.

#### **5. CONTRIBUTIONS**

The contributions of the GOA and the GOSRV are detailed in Annexes 3 and 4 of this SUBSIDIARY ARRANGEMENT.

The estimated contribution of the Australian Government will have an upper limit of approximately A\$7.6 million over three (3) years which includes approximate costs for project monitoring and evaluation. The contribution by the GOSRV will be in kind. Disbursement of Australian contributions will be subject to the normal Australian annual Parliamentary approval of appropriations.

#### **6. REVIEW OF CONTRIBUTIONS**

The actual apportionment of costs to be borne by both Parties to the Project may be revised throughout the life of the ADS-PREP project following the recommendations provided by the Australian and Vietnamese Executing Agencies and approved by AusAID and MOET.

#### **7. MONITORING, EVALUATION AND PERFORMANCE ASSESSMENT**

An evaluation of progress of the ADS-PREP Project will be made at times arranged between, and mutually convenient to AusAID, MOET, HUFs, and other relevant GOSRV Agencies as identified during Project implementation. Such an evaluation will be carried out by a joint review team appointed by the two Governments and independent of staff involved in the Project.

#### **8. AUSTRALIAN PROJECT SUPPLIES**

In addition to Paragraph 13 of the MOU which outlines details regarding project supplies and professional and technical material, the following will apply to Australian Project Supplies.

Pursuant to Ministry of Finance Circular 142/1999/TT-BTC which provided guidance on value added tax applied to projects under the funds of official development aid (ODA), and Ministry of Finance Circular No. 49-2000-TT-BTC, the Project is exempt from the payment of Value Added Tax on the purchase of Project supplies or Project services.

The GOV is responsible for undertaking necessary procedures to ensure that project supplies and project services are exempted from Value Added Tax and Import tax. Where local requirements involve payment of the Value Added Tax, followed by a refund from the relevant Taxation Bureau, the GOV is also responsible for arrangements of VAT refund in a timely and efficient manner.

Subject to Clauses 9 and 10 below, all Australian Project supplies will become the property of the GOSRV when they have ceased to be used for the purposes of the Project.

## **9. WARRANTIES**

In relation to any equipment supplied pursuant to this SUBSIDIARY ARRANGEMENT, the GOSRV will bear all risks associated with the installation and maintenance of the equipment subject to any express warranties held by the GOA in relation to the suppliers of this equipment. In return for this undertaking the GOA on behalf of the GOSRV will exercise any rights it may have against the suppliers of such equipment should such equipment be found defective in any manner.

## **10. INTELLECTUAL PROPERTY**

(a) Notwithstanding Clause 8, all intellectual property rights in any Australian Project supplies will be retained by the GOA.

(b) Notwithstanding Clause 8, the GOA grants to the GOSRV a non-exclusive royalty fee license in respect of the intellectual property rights subsisting in Australian Project supplies owned by the GOA. Such license will continue until otherwise arranged between the parties and will include the right to deal with the intellectual property for the purpose of the Project as defined in Annex 1 as the GOSRV considers expedient.

## **11. PERSONNEL**

For the purpose of the ADS-PREP Project, the GOSRV will facilitate the deployment of Australian Project Personnel by:

- (a) Expediting the issue of all documentation required for the entry of, and performance of work by, Australian Project Personnel. Long term Australian Project Personnel will be granted 1 year multiple entry visas; and
- (b) granting exemption from income or other taxes on salaries and allowances paid to Australian Project Personnel.

## **12. CLAIMS**

The GOSRV will indemnify the GOA in respect of claims brought by the GOA's contractor against the GOA for damages arising from the GOSRV's failure to carry out its obligations pursuant to this ARRANGEMENT, except *force majeure*. Both the GOSRV and the GOA undertake to manage risks as efficiently and effectively as possible.

## **13. AMENDMENTS**

Amendments to this SUBSIDIARY ARRANGEMENT may be made at any time by an exchange of letters between the two Governments.

## **14. TERMINATION**

The understandings contained in this SUBSIDIARY ARRANGEMENT may be terminated by either Government by giving the other six months prior written notice of its intention to terminate them.

## **15. COMMENCEMENT AND DURATION**

This SUBSIDIARY ARRANGEMENT will take effect from the date of signature and the Project will be deemed to have commenced from that date. The Australian contribution to the Project and all undertakings given herein will cease thirty six (36) months after the date of signature of this SUBSIDIARY ARRANGEMENT or on such other date as may subsequently be arranged between the two Governments.

The project duration will be three years from July 2003 following an implementation phase of 2 months commencing in May 2003.

By the end of second year of project implementation and following an assessment of the project progress and efficiency and endorsement by AusAID and the Government of Vietnam, the duration of the project may be extended for a further 2 years.

The English and Vietnamese versions of this SUBSIDIARY ARRANGEMENT is equally authentic. In case of any inconsistencies, the English language version will prevail. Annexes to this Arrangement form an integral part of it

Annex 1 Project Description

Annex 2 Project Coordination and Management

Annex 3 Contribution of the Government of Australia  
Annex 4 Contribution of the Government of Vietnam

SIGNED in Hanoi in duplicate, this 14<sup>th</sup> day of July 2003 in English and Vietnamese

For the Government of Australia

For the Government of the Socialist  
Republic of Viet Nam



HE MR JOE THWAITES  
Ambassador Extraordinary and Plenipotentiary  
Australian Embassy in Ha Noi



PROF. DR TRAN VAN NHUNG  
Vice Minister  
Ministry of Education and Training

## ANNEX 1

### PROJECT DESCRIPTION

#### 1. Project Background

The objective of the Viet Nam Australia Development Cooperation Program is to advance Australia's national interest by assisting Viet Nam to reduce poverty and achieve sustainable development. It is anticipated that the new Country Strategy for Viet Nam (2002-2006) will focus on the rural development, water supply and sanitation, and governance sectors, with a geographic concentration on the Mekong Delta and central coast regions. A strong human capacity building effort will under-pin the entire program. Australian Development Scholarships (ADS) will remain a significant element of the new country strategy.

##### 1.1 Scholarship Administration:

Primary responsibility for ADS Selection and Pre-Departure Administration to date has rested with the AusAID Post. Candidates are selected by a joint selection committee comprising representatives from MOET, GDVT and AusAID Hanoi, on the basis of development impact and academic and professional merit.

AusAID has decided to outsource part of the ADS management/administrative responsibilities but will retain responsibility for the development of annual targeting strategies, management of the application processes and tasks in relation to selection processes.

##### 1.2 The Pre-Departure Training Program (PDTP)

The Pre-Departure Training Program is a preparatory training program for ADS awardees which focuses on developing the academic English and study skills Vietnamese students require to participate successfully in tertiary education in Australia. Currently, all ADS students are required to undertake at least one term of Pre-Departure Training in Vietnam which is administered as one component of the Viet Nam Australia English Language, Technical Training and Resources (VAT) Project. The VAT project will conclude in mid 2003 and the Pre-Departure Training Program will continue under the new ADS Pre-Departure Project with the acronym "ADS PREP".

##### 1.3 The ADS PREP Project

ADS PREP is designed to serve the goals of the ADS Program in Viet Nam. The Project Design Document (PDD) accommodates both the new phase of pre-departure training and the need to outsource ADS administration and placement tasks.

#### 2. Project Goal and Purpose

The project goal is 'to contribute to human resource development in areas of agreed focus in the Vietnam-Australia Development Cooperation Program'.

The project **purpose** is 'to prepare ADS awardees for tertiary study in Australia through the provision of intensive in-country training and to place them in appropriate courses with ongoing support'. The project design employs a direct service model, whereby the AMCs achieve training and administrative outputs to mutually determined standards within fixed timelines. The project has no explicit capacity-building goal or design features.

### **3. Project Objectives**

Project components will be designed to pursue the following key objectives:

#### **Component 1 ADS Training**

Objective 1 To provide a high-quality and cost-effective ADS Training pathway which allows awardees to achieve appropriate English language skill levels, as measured by the IELTS, and effective skills for living and study in Australia.

#### **Component 2 ADS Support**

Objective 2 To efficiently and effectively provide administrative support at key points for ADS in Viet Nam, including promotion, placement, mobilisation, management of course variations and monitoring of progress and outcomes.

#### **Component 3 Project Management**

Objective 3 To facilitate project effectiveness through efficient project management services.

### **4. Project Duration and Phasing**

The project will commence in May 2003 with a one-month period of handover between the out-going VAT AMC and the in-coming ADS PREP AMC/s. The project duration will be thirty six months (36) with a possible extension subject to review of both contractor performance, project progress and changes in the local context.

## PROJECT COORDINATION AND MANAGEMENT ARRANGEMENTS

### 1. Management Arrangements:

The management structure of the Project is designed to build a close partnership between the Partner agencies and implementing agency, GOV and the AMC/s.

### 2. Management Responsibilities and Roles:

The GOA through AusAID will ensure that the Project is adequately resourced and that the Project progress is monitored as an integral part of administering the AMC contract/s.

#### 2.1 Vietnamese Executing Agency

Hanoi University of Foreign Studies has been designated by the Ministry of Education and Training as the Executing Agency for the Project. HUFS staff to be nominated to be permanent members of Project Coordinating Committee (PCC), will participate in the project by attending PCC meetings and other stakeholder meetings as required, arranging immigration entry visa procedures for project staff, and endorsing documents and reports submitted under the Project. HUFS will also ensure the availability of resources and contributions as outlined in Annexes 3 & 4.

#### 2.2 Vietnamese Managing Agency

The Ministry of Education and Training (MOET) in collaboration with AusAID retains counterpart responsibilities for selection of ADS awardees, management of award variations, endorsement of scholarship nominations forms for ADS awardees on behalf of the Government of Vietnam, and provision of policy advice on issues related to scholarship selection.

### 3. Australian Executing Agency (AMC - Australian Managing Contractor/s)

The AMC/s, on behalf of the Australian Government, and under the overall direction of AusAID will be responsible for the implementation of contract with GOA in a manner that achieves the Project objectives and outputs and provides information for monitoring Project progress.

Specific tasks to be undertaken by each AMC are outlined in detail in the PDD. However, the AMC/s should consult AusAID Hanoi Office for approval on issues such as in-country allowances for ADS candidates and other newly arising issues beyond the scope of the PDD.

To ensure the efficient delivery of the project services as demonstrated by the production of specified outputs and achievement of objectives, the AMCs will be required to undertake the following tasks:

The AMC (ADS Training) will be required to:



## PROJECT COORDINATION AND MANAGEMENT ARRANGEMENTS

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The AMC/s, on behalf of the Australian Government, and under the overall direction of AusAID will be responsible for the implementation of contract with GOA in a manner that achieves the Project objectives and outputs and provides information for monitoring Project progress.

Specific tasks to be undertaken by each AMC are outlined in detail in the PDD. However, the AMC/s should consult AusAID Hanoi Office for approval on issues such as in-country allowances for ADS candidates and other newly arising issues beyond the scope of the PDD.

To ensure the efficient delivery of the project services as demonstrated by the production of specified outputs and achievement of objectives, the AMCs will be required to undertake the following tasks:

The AMC (ADS Training) will be required to:

- i) Develop and deliver to Vietnamese ADS awardees appropriate ADS Pre-departure English Language Training that complies with industry best practice and provide the necessary and appropriately qualified technical, administrative and financial personnel in a timely manner.
- ii) Establish efficient and effective administrative and financial management systems and procedures that comply with AusAID accountability and audit requirements.
- iii) Ensure effective coordination of project implementation through regular consultation with the AMC ADS Support and key stakeholders.
- iv) Develop and implement a quality assurance and risk management strategy and report on outcomes.
- v) Participate in the Project Coordination Committee.
- vi) Participate as an observer in the ADS Joint Selection Committee meetings.
- vii) Ensure the production and timely submission of Annual Plans and other reports.

#### ***AMC (ADS Support)***

The AMC (ADS Support) will be required to:

- i) Provide ADS Support services which comply with the AusAID ADS Operational Guidelines, with specific responsibility for advertisement and promotion, management of IELTS testing, placement of students in Australian tertiary courses, mobilisation, management of course variations, monitoring of progress and outcomes, and support for awardees on return to Viet Nam.
- ii) Provide the necessary and appropriately qualified technical, administrative and financial personnel in order to achieve (i) above.
- iii) Establish efficient and effective administrative and financial management systems and procedures that comply with AusAID accountability and audit requirements.
- iv) Develop and implement a quality assurance and risk management strategy and report on outcomes.
- v) Ensure effective coordination of project implementation through regular consultation with key stakeholders, including AusAID, AMC (ADS Training) and ALOs at Australian tertiary institutions.
- vi) Participate in the Project Coordination Committee and act as its Secretariat such as preparation of the PCC meeting agenda and minutes + translation into Vietnamese of necessary Project documents + interpretation into Vietnamese at PCC meetings
- vii) Undertake other ADS Support-related tasks within the parameters indicated earlier at the specific direction of AusAID, as may emerge as necessary, during the course of project implementation.
- viii) Participate as an observer in the ADS Joint Selection Committee meetings.

- ix) Ensure the production and timely submission of project reports including ad hoc reports when necessary.

#### **4. AusAID Post**

AusAID Post will be responsible for AusAID management of the Project, supervision of AMC performance, contract management and processing of invoices. The AMCs will report directly to AusAID Post and submit all reports and invoices in accordance with the Contract with AusAID. AusAID Post will retain responsibility for the development of annual ADS selection and targeting strategies and actual selection (including responding to queries, screening applications, verification of transcripts, preparation of shortlists, final selection and participation in pre-departure briefing). AusAID Hanoi will participate in the PCC and endorse PCC minutes.

#### **5. Project Coordinating Mechanisms**

An effective project coordination mechanism will be developed cooperatively by both AMCs in consultation with AusAID, HUFS and MOET, immediately after project commencement. The project coordination mechanisms will include establishment of a Project Coordination Committee (PCC) and a Project Communication Strategy, amongst others. The Project coordination mechanism will be documented in the Project Inception Reports.

##### **5.1 Project Coordination Strategy**

The Project Coordination Strategy will describe the manner in which effective communication between the two AMCs, the counterpart agency (HUFS) and AusAID, and settlement of disputes, will be achieved. The strategy will clarify lines of reporting and communication to minimise any confusion between the various stakeholders.

##### **5.2 Project Coordinating Committee (PCC)**

Project Coordination Committee (PCC) meetings will be conducted bi-annually with PCC Agenda and minutes prepared and distributed. More frequent meetings may be considered to meet particular needs. Both AMCs will attend meetings of the PCC. The ADS Support AMC will act as Secretariat to the PCC. In addition, AusAID will meet regularly with each AMC, either jointly or individually.

The PCC is responsible for:

- Coordinating policy for the project;
- Reviewing the progress of the project implementation and work plans and assessing the deliverable outputs;
- Addressing key issues arising in the project;
- Mutually determine any changes to the project design;
- Review key project documents such as the annual plan and other key reports prepared by the AMC; and
- Review and assess monitoring and evaluation strategies including post-award support and monitoring issues.

The PCC's role in the Inception phase will include approval of key Project documents such as Quality Assurance Strategy, Gender Strategy, Risk Management and Coordination Strategy.

Membership of the PCC shall include but not be limited to:

- i. the Director, International Relations Dept of MOET – Project Counterpart Director
- ii the Rector of Hanoi University of Foreign Studies - Project Counterpart Deputy Director
- iii representative/s from AusAID in Viet Nam;
- iv other representative/s from MOET and HUFS as agreed
- v the Australian Team Leaders/Project Directors (ADS Training AMC and ADS Support AMC).

## **6. Technical Advisory Group**

AusAID will appoint a Technical Advisory Group (TAG) to provide independent advice to AusAID on the implementation, progress and performance of the Project. The TAG will assist in the overall monitoring and evaluation of the Project. The TAG is expected to visit the project annually, except possibly in year 2 when a mid-term Review is planned. It will monitor specific aspects of the Project's operations and progress and review the performance of the AMC/s in meeting their quality obligations.

## **7. Monitoring and Reporting Arrangements**

Project monitoring will be the responsibility of the AMC. The team leader/s will be involved in the on-going monitoring of the Project activities in order to ensure the timely and effective delivery of project outputs. Project Annual Reports, Inception Reports and other progress reports will contain details of Project outputs achieved against the performance indicators.

A monitoring and evaluation strategy will be developed in the Project Inception Report which will be based on the Monitoring and Evaluation Framework prepared under the VAT project, and will attempt to assess the appropriateness, the efficiency and cost effectiveness of initiatives and activities undertaken under the Project.

The project includes a number of monitoring and performance measurement strategies which include the following:

- Logical Framework Matrix and verifiable indicators
- Effectiveness Reviews and TAG reviews
- Monitoring and Evaluation framework

## CONTRIBUTION OF THE GOVERNMENT OF AUSTRALIA

The ADS-PREP project will be established initially for a period of 3 years, and will be reviewed in the second year. Subject to review of both AMC performance, project progress and changes in local context, funding for the ADS-PREP Project may be provided for a further 2 years.

The GOA, through AusAID, will provide total funding of up to A\$ 7.6 million towards this Project.

The estimated contributions of the GOA to the Project by financial year are as follows:

Inception Phase May/June 2003:	\$454,000
2003-04	\$ 2,134,000
2004-05	\$ 2,172,000
2005-05	\$ 2,135,000
<b>Total</b>	<b>A\$ 6,895,000</b>

(the inflation rate of 3% and other miscellaneous costs have not been calculated in this figure)

GOA will also provide funding for monitoring and evaluation of the project which includes TAGs and Project Reviews. The estimated costs for monitoring and evaluation are A\$350,000.

The Government of Australia's contribution:

1. Contracting Australian Managing Contractors for the Projects, which will incorporate consultant advisers and Vietnamese consultants.
2. Program coordination for the life of the Project
3. Provision of long-term technical assistance over a range of skills including:

### ***ADS Training***

- Project management, quality assurance and support staff
- Teachers (incl. 40-60% Vietnamese) (engaged locally, annually)
- Library/Resource Centre Manager (3 years full time)
- Library staff (Vietnamese Teacher /Librarian and 2 other librarians)
- Teaching expendables
- Student allowances
- Utilities

- Maintenance of Existing Furniture & Fittings (handed over from the current VAT Project)
- Maintenance of Existing Computing Facilities – (Hardware, Software & Databases) handed over from the current the VAT project
- Building maintenance (up to financial levels mutually determined with AusAID)
- Maintenance of Resource Centre
- Stationery and supplies, reports, documents, forms & publications
- Project vehicles (1) – roll over, lease or purchase
- Communication costs
- Reporting costs
- Independent Audit
- Technical Advisory Group

### ***ADS Support***

- Project management, quality assurance and support staff
- Annual Information Workshops
- IELTS testing expenses
- ADS advertising/promotion expenses
- Student Medical Checks
- Student Travel one-way
- Production/dissemination of ADS publications, forms, documentation, reports
- Rent of office / utilities
- Project vehicle (1) roll over, lease or purchase
- Office Furniture & equipment (photocopier, fax, etc)
- Computer Equipment/Software/Maintenance and database management
- Stationery and supplies
- Communication and reporting costs
- Independent Audit
- Technical Advisory Group
- Other inputs as subsequently mutually determined by AusAID
- Translation and interpretation costs in order to facilitate PCC meetings

The exact annual amount of GOA contribution to the Project in each financial year will be confirmed through the PCC meeting and annual work plan process. Any changes to the budget and share of costs which occur throughout the duration of the Project must be approved by the PCC depending on emerging opportunities and risks, following recommendations approved by the Australian and Vietnamese Managing agencies.

**CONTRIBUTION OF THE GOVERNMENT OF VIET NAM**

The GOSRV will provide in kind contribution towards ADS-PREP Project including as follows:

- The provision of Building D6 at the Hanoi University of Foreign Studies (free of rent).
- Release of scholars to be trained.
- Maintenance of trainees' salaries and their government position while in training at project
- Release senior staff to participate in the work of the Project Coordination Committee meetings and other project meetings/ceremonies and resources to support their attendance.
- Facilitate administrative procedures for the project including visas (project pays fees) and Value Added Tax reimbursement.
- Nominate counterpart project Director and Deputy Director to work with the Australian Project Team Leaders and provision of other necessary staff to ensure the smooth implementation and management for the project.
- Joint oversight and evaluation of overall project performance through monitoring, review and evaluation in line with the Monitoring Framework;
- Facilitate customs clearance, transportation and insurance of materials and equipment from the port of delivery to the Project site.



# Australian Government

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## AusAID

Australian Embassy  
Hanoi

To : Mr. Nguyen Ngoc Hung  
Vice Director  
International Relations Department  
MOET

19 May 2006

Dear Mr. Hung,

**Exchange of Letters  
Supplementations to the Subsidiary Arrangement of the  
ADS Prep Project (Extension period)**

We refer to **Clause 13 on Amendment** of the Subsidiary Arrangement (SA) of the ADS Prep Project, signed by the delegates of the two Governments on 14 July 2003. Clause 13 stipulates that *"Amendments to this SUBSIDIARY ARRANGEMENT may be made at any time by an exchange of letters between the two Governments."*

In response to the letter of Ministry of Education and Training dated 8 May 2006, AusAID would like to seek the approval of the Government of Vietnam for the following supplementations to the Subsidiary Arrangement to reflect the commitments of the two Governments during the extension period of the Project.

This Exchange of Letters shall be regarded as the integral part of the SA.

**Rationale**

Following the recommendation by the Mid-term Review Mission in April 2005, the Ministry of Education and Training (MOET) and AusAID agreed on extension periods for ADS Prep Project at the fourth Project Coordination Committee meeting in June 2005. This is in line with Clause 15 Commencement and Duration of the Subsidiary Arrangement.

**Duration**

ADS Prep Project has two components to be extended as follows:

*ADS Training* (with the Melbourne Development International – MDI as the Australian Managing Contractor): 5 months from 31 July to 31 December 2006.

*ADS Support* (with The Sinclair Knight Merz – SKM as the Australian Managing Contractor): 2 years from 18 July 2006 to 18 July 2008.

**Contribution**

As a result of the extension, the total contribution of the Government of Australia will increase to AU\$ 11.5 million. The additional funding is allocated from the bilateral program.



## **Annex 2 Project Coordination and Management Arrangement**

### **Vietnam Executing Agency**

Hanoi University of Foreign Studies (HUFS) has been designated by the Ministry of Education and Training as the Executing Agency for the Project to the end of December 2006. To this end date, HUFS staff will continue to be permanent members of Project Coordinating Committee (PCC), will participate in the Project by attending PCC meetings and other stakeholder meetings as required, will arrange immigration entry visa procedures for Project staff, and endorse documents and reports submitted under the Project. HUFS will also ensure the availability of resources and contributions as outlined in Annexes 3 & 4.

### **Australia Executing Agency**

During the 5 month extension, the AMC (ADS Training) will continue to implement all the tasks as assigned in the Subsidiary Arrangement.

In the extension period, the AMC (ADS Support) will continue to implement all the tasks as assigned in the Subsidiary Arrangement. However, additional tasks related to enhancement of the ADS program efficiency as directed by the White Paper might be further assigned to this executing agency. Further resources for these additional tasks may be allocated, as appropriate.

### **Project Coordinating Mechanism – Membership of PCC:**

Until otherwise notified by the Ministry of Education and Training, The Rector of Hanoi University of Foreign Studies will be the Project Counterpart Deputy Director.

## **Annex 3. Contribution of the Government of Australia**

The total funding of the GOA will increase to 11. 5 million to cover the Project's extension until 18 July 2008.

The revised contributions of the GOA to the Project by financial year are as follows:

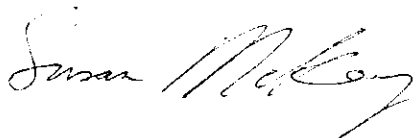
2003-04 (including Inception Phase May/June 2003):	\$ 2,555,840.00
2004-05	\$ 2,821,776.00
2005-06	\$ 2,145,678.00
2006-07	\$ 2,024,610.00
2007-08	\$ 1,952,096.00
<b>Total</b>	<b>A\$11,500,000.00</b>

## **Annex 4. Contribution of the Government of Vietnam.**

The provision of Building D6 at the Hanoi University of Foreign (free of rent) will continue until 31st December 2006.

Your response to this letter will constitute an Exchange of Letters supplementing the Subsidiary Arrangement, as outlined in the **Clause 10** of the Subsidiary Arrangement.

Yours sincerely,



**Susan McKeag**  
First Secretary  
Development Cooperation

- cc
- Dr. Ho Quang Minh, General Director, FERD, MPI
  - Ms. Nguyen Yen Hai, Expert, FERD, MPI
  - Dr. Prof. Nguyen Xuan Vang, Rector, HUFS
  - Mr. Pham Chi Cuong, Senior Expert, IRD, MOET
  - Mr. Truong Thanh Hai, Senior Expert, FPD, MOET
  - Mr. Phung Quoc Tuan, Senior Expert, HED, MOET



# Australian Government

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## AusAID

Australian Embassy  
Hanoi

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To : Mr. Nguyen Ngoc Hung  
Vice Director  
International Relations Department  
Ministry of Education and Training

23 January 2008

Dear Mr. Hung,

**Exchange of Letters No. 2:  
Amendment to the Subsidiary Arrangement of the  
ADS Pre-departure Project  
(One year extension)**

I am writing this letter in regard to a further amendment to the Subsidiary Arrangement (SA) of the ADS Pre-departure Project (Project), signed by the delegates of the two Governments on 14 July 2003, and as amended on 12 February 2007.

I refer to **Clause 13** of the Subsidiary Arrangement which stipulates that "*Amendments to this SUBSIDIARY ARRANGEMENT may be made at any time by an exchange of letters between the two Governments.*"

This Exchange of Letters No. 2 will be regarded as a further integral part of the original SA.

### **Rationale**

In 2007, ADS Support took up new responsibilities in relation to the administration of ADS screening and selection. This transfer was recommended by the Project mid-term review mission in April 2005, and endorsed by both AusAID and the Ministry of Education and Training in the fourth Project Coordinating Committee (PCC) meeting on 17<sup>th</sup> June 2005.

Over the same period, AusAID implemented some major changes to Australian Scholarships administration associated with the introduction of Australian Leadership Awards in 2006, the recommendations of the ADS White Paper Implementation Mission (including the local tendering of English Language Training), and a business processes review. These changes significantly impacted on ADS Support operations. For example, the ADS Priority Public Institution program doubled in scope (from 6 to 11 institutions) and support to returned graduates and alumni was significantly enhanced.

In light of these changes, AusAID requests the Government of Vietnam to approve a one year extension to the ADS Support contract, the ADS Prep Project and the Subsidiary Arrangement, from 18 July 2008 to 18 July 2009. This extension will allow AusAID and its contractors to bed down new Project structures and processes to enhance the impact of the Project. On this basis, the ADS Support contract would be re-tendered in early 2009.

If approved, this will be the second extension to the Subsidiary Arrangement. The first extension (from 18 July 2006 to 18 July 2008) was approved by the Ministry of Education and Training in a letter dated 12<sup>th</sup> February 2007 (responding to AusAID's letter dated 19<sup>th</sup> May 2006).

### **Duration**

ADS Prep Project to be extended for one year from 18 July 2008 to 18 July 2009.

### **Contribution**

As a result of the proposed extension, the total contribution of the Government of Australia to the Project will increase by A\$1.7 million, from A\$11,500,000.00 to A\$13,200,000.00. The additional funding will be allocated from the annual bilateral program.

## **Annex 2. Project Coordination and Management Arrangement**

### **Vietnam Executing Agency**

Ministry of Education and Training staff will continue to be permanent members of the Project Coordinating Committee (PCC), will participate in the Project by attending PCC meetings and other stakeholder meetings as required, will arrange immigration entry visa procedures for Project staff, and endorse documents and reports submitted under the Project.

The Ministry of Education and Training will also ensure the availability of resources and contributions as outlined in Annexes 3 & 4.

### **Australia Executing Agency**

During the one year extension, the Australian Managing Contractor for the ADS Support project will continue to implement all the tasks of the ADS program as assigned in the Subsidiary Arrangement and adjusted in the Exchange of Letters 1 and 2.

## **Annex 3. Contribution of the Government of Australia**


The total funding of the Government of Australia will increase up to A\$13.2 million to cover the Project's extension until 18 July 2009.

The revised contributions of the Government of Australia to the Project by financial year are as follows:

2003-04 (including Inception Phase May/June 2003):	\$ 2,555,840.00
2004-05	\$ 2,821,776.00
2005-06	\$ 2,145,678.00
2006-07	\$ 2,024,610.00
2007-08	\$ 1,952,096.00
2008-09	\$ 1,700,000.00
<b>Total</b>	<b>A\$13,200,000.00</b>

Your response to this letter will constitute an Exchange of Letters supplementing the Subsidiary Arrangement, as outlined in the **Clause 13** of the Subsidiary Arrangement.

Yours sincerely,



**Susan McKeag**  
First Secretary  
Development Cooperation

- cc
- Dr. Ho Quang Minh, General Director, FERD, MPI
  - Ms. Nguyen Yen Hai, Expert, FERD, MPI
  - Mr. Pham Chi Cuong, Senior Expert, IRD, MOET
  - Mr. Truong Thanh Hai, Senior Expert, FPD, MOET
  - Mr. Phung Quoc Tuan, Senior Expert, HED, MOET



Mr Nguyen Ngoc Hung  
Vice Director  
International Relations Department  
Ministry of Education and Training  
Hanoi  
Vietnam

Dear Mr Hung

**Exchange of Letters No. 3:  
Amendment to the Subsidiary Arrangement of the  
Vietnam Australian Development Scholarships Pre-departure Project**

I write in regard to a further amendment to the Subsidiary Arrangement of the Australian Development Scholarships Pre-departure Project, signed by delegates of the governments of Australia and Vietnam on 14 July 2003, and as amended on 12 February 2007 and 16 June 2008.

This Exchange of Letters seeks to extend further the Australian Development Scholarships Pre-departure Project until January 2012 and to increase the value of the Project by A\$11,000,000 from A\$13,200,000 to A\$24,200,000.

I refer to **Paragraph 13** of the Subsidiary Arrangement which stipulates that "*Amendments to this Subsidiary Arrangement may be made at any time by an exchange of letters between the two governments.*"

This third Exchange of Letters will be regarded as a further integral part of the original Subsidiary Arrangement.

**Rationale**

The Vietnam Australian Development Scholarships Program has assisted Vietnamese scholars to undertake tertiary study in Australia since 2003.

Management of the Program is achieved via the Australian Development Scholarships Pre-departure Project. The Project has two components; pre-departure English language training; and administrative services for the selection and mobilisation of scholarship candidates. These components are managed by the two separate contracts.

In 2003 a Subsidiary Arrangement for the Australian Development Scholarships Pre-departure Project was signed under the Memorandum of Understanding on Development Cooperation between our two governments. The Subsidiary Arrangement has been extended twice via Exchange of Letters on 12 February 2007 and 16 June 2008. A further extension of the Subsidiary Arrangement is required to support the continued implementation of the Project and the delivery of AusAID scholarships in line with the recent redesign of our approach to scholarships in Vietnam.

**Duration**

The Subsidiary Agreement will be extended to 31 January 2012.

**Contribution**

The total contribution from the Australian Government to the Australian Development Scholarships Pre-departure Project will increase by A\$11,000,000 from A\$13,200,000 to A\$24,200,000.

Your response to this letter will constitute an Exchange of Letters supplementing the Subsidiary Arrangement, as outlined in **Paragraph 13** of the Subsidiary Arrangement.

Yours sincerely



Peter Baxter

10 AUG 2009

- cc
- **Dr. Ho Quang Minh**, Director General Foreign Economic Relations Department, Ministry of Planning and Investment, Hanoi
  - **Ms. Nguyen Yen Hai**, Chief of Asia Pacific Office, Foreign Economic Relations Department, Ministry of Planning and Investment, Hanoi
  - **Mr. Pham Chi Cuong**, Senior Expert, International Cooperation Department, Ministry of Education and Training, Hanoi

## **Annex 1: Project Description**

### **Project Background**

The Vietnam Australian Development Scholarships Program has operated in Vietnam since 2003. In 2009 the Australian Government will provide 175 scholarships for post-graduate study in Australia.

In July 2008 AusAID conducted a review and a redesign for AusAID scholarships in Vietnam. The review concluded that the Australian Development Scholarships Pre-departure Project was effective in supporting the delivery of AusAID scholarships and recommended the aid program extend the Project until 2016, subject to the outcome of a comprehensive review of the Project and our approach to scholarships in 2012.

The approved design also incorporates some new approaches to the promotion of the program and the targeting of applicants. The new program, which will commence in late 2009, will also contribute more effectively to development priorities and human resource needs in Vietnam. The program name will change from the Australian Development Scholarships to AusAID Scholarships for Development in Vietnam to reflect the broader focus of our scholarships.

### **Scholarship Administration**

Scholarship candidates are selected by a Joint Selection Committee comprising representatives from Ministry of Education and Training and AusAID Hanoi.

## **Annex 2: Project Coordination and Management Arrangement**

### **Vietnam Executing Agency**

Ministry of Education and Training staff will continue to be permanent members of the Project Coordinating Committee and will participate in the Project by attending Project Coordinating Committee meetings and other stakeholder meetings as required. Ministry of Education and Training staff will also arrange immigration entry visa procedures for Project staff, and endorse documents and reports submitted under the Project.

### **Australia Executing Agency**

The Australian Executing Agency will be the Australian Agency for International Development (AusAID).

### **Project Coordinating Mechanisms**

The coordinating authorities will be the Ministry of Education and Training, representing the Government of Vietnam, and AusAID Hanoi, representing the Australian Government. The Ministry of Planning and Investment, as the key counterpart agency responsible for managing Official Development Assistance in Vietnam, will also participate in the annual partnership high-level strategy consultations.



An Annual Strategic Review will be undertaken and managed through the high-level government consultations. The Ministry of Education and Training and AusAID Hanoi, via the Joint Selection Committee, will cooperate in the selection process and are the final decision makers on the awarding of scholarships each year.

### **Annex 3. Contribution of the Australian Government**

The total funding from the Australian Government to the Australian Development Scholarships Pre-departure Project will increase to A\$24,200,000.

The revised contributions of the Australian Government to the Project by financial year are as follows:

2003-04	\$ 2,555,840
2004-05	\$ 2,821,776
2005-06	\$ 2,145,678
2006-07	\$ 2,024,610
2007-08	\$ 1,952,096
2008-09	\$ 1,700,000
2009-10	\$ 2,500,000
2010-11	\$ 3,023,299
2011-12	\$ 2,695,379
2012-13	\$ 2,781,322
<b>Total</b>	<b>\$24,200,000</b>



**Australian Government**

**AusAID**

Professor Bui Van Ga  
Vice Minister  
Ministry of Education and Training  
Hanoi  
Vietnam

30 November 2011

Dear Vice Minister Ga

**Exchange of Letters No. 4:  
Amendment to the Subsidiary Arrangement of the  
Vietnam Australian Development Scholarships Pre-departure Project**

I write in regard to a further amendment to the Subsidiary Arrangement of the Australian Development Scholarships Pre-departure Project (herein after referred to as 'the Project'), signed by delegates of the governments of Australia and Vietnam on 14 July 2003 (herein after referred to as 'the Subsidiary Arrangement').

According to **Paragraph 13** of the Subsidiary Arrangement which stipulates that "*Amendments to this Subsidiary Arrangement may be made at any time by an exchange of letters between the two governments*", the Subsidiary Arrangement has been amended three times via Exchange of Letters on 12 February 2007, 16 June 2008, and 30 November 2009 to reflect changes in implementation arrangement of the Project. Summary of the changes are:

<b>No. of Exchange of Letters</b>	<b>Agreement time</b>	<b>Project changes</b>
Exchange of Letters No.1	12 February 2007	<ul style="list-style-type: none"><li>- Extended the Project to 18 July 2008.</li><li>- Increased total contribution of Government of Australia to AUD 11.5 million.</li></ul>
Exchange of Letters No.2	16 June 2008	<ul style="list-style-type: none"><li>- Extended the Project to 18 July 2009.</li><li>- Increased total contribution of Government of Australia to AUD 13.2 million</li></ul>
Exchange of Letters No.3	30 November 2009	<ul style="list-style-type: none"><li>- Extended the Project to 31 January 2012.</li><li>- Increased total contribution of Government of Australia to AUD 24.2 million</li></ul>

This Exchange of Letters is to seek your agreement to further extend the Project until **31 January 2016** and to increase the value of the Project by AUD 13,672,565 from AUD 24,200,000 to **AUD 37,872,565**.

This fourth Exchange of Letters will be regarded as an integral part of the original Subsidiary Arrangement.

### **Rationale**

The Australian Development Scholarships Pre-departure Project is to provide management services for the Australia Development Awards, including Australian Development Scholarships (ADS) and Australian Leadership Awards (ALA), in Vietnam. The Project has two components: (i) Component 1: providing administrative services for the selection and mobilisation of up to 240 scholarship awardees each year, and monitoring of the Australian Development Scholarship program; and (ii) Component 2: providing in-country English language training for short-listed scholarship candidates.

Component 1 is currently managed by Coffey International Development Pty. The contract with Coffey is from 1 October 2009 to 31 January 2012, with an option to be extended to January 2016, subject to the outcomes of AusAID's review of the pilot stage (2009-2012).

Component 2 is currently managed by Australian Centre for Education and Training (ACET). The contract with ACET is due to end in January 2013. The new contract will be re-tendered in March 2012 to cover the period from February 2013 to January 2016.

An independent mid-term review, carried out in July 2011, commented positively on the effectiveness, efficiency and adaptation of the project. Both contractors (Coffey and ACET) are performing well in meeting project objectives and being responsive to AusAID corporate requirements.

Based on the mid-term review's outcomes, AusAID's decision to extend the contract with Coffey from January 2012 to January 2016 was made in November 2011. As such, a further extension of the Subsidiary Arrangement is required to support the continued implementation of the Project to January 2016.

### **Duration**

The Subsidiary Agreement will be extended to 31 January 2016.

### **Contribution**

The total contribution from the Australian Government to the Project will increase by AUD 13,672,565 from AUD 24,200,000 to AUD 37,872,565. The revised contribution of the Australian Government to the Project is presented in the attached revised Annex 3.

Your positive response to this letter will constitute an Exchange of Letters supplementing the Subsidiary Arrangement, as outlined in **Paragraph 13** of the Subsidiary Arrangement.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'JBatley', with a stylized flourish at the end.

James Batley  
Deputy Director General  
Asia Pacific and Program Enabling Group

Cc: - Mr Nguyen Xuan Vang, Director General, Vietnam International Education Development, Ministry of Education and Training.  
- Mr Pham Chi Cuong, Deputy Director, International Cooperation Department, Ministry of Education and Training.

### **Annex 3: Contribution of the Australian Government**

The total funding from the Australian Government to the Australian Development Scholarships Pre-departure Project will increase to AUD 37,872,565.

The revised contributions of the Australian Government to the Project by financial year are as follows:

2003-04	\$ 3,069,037.06
2004-05	\$ 2,223,308.23
2005-06	\$ 2,253,671.66
2006-07	\$ 2,062,689.56
2007-08	\$ 1,439,648.19
2008-09	\$ 1,613,202.30
2009-10	\$ 2,990,633.13
2010-11	\$ 2,633,663.52
2011-12	\$ 3,500,500.00
2012-13	\$ 4,185,487.00
2013-14	\$ 3,857,256.50
2014-15	\$ 3,971,769.37
2015-16	\$ 4,071,698.48
<b>Total</b>	<b>A\$37,872,565.00</b>